

**SOUND BANKING CO**

|   | CPP Disbursement Date<br>01/09/2009 | Cert<br>57095       | Number of Insured<br>Depository Institutions<br>1 |      |    |
|---|-------------------------------------|---------------------|---|------|----|
|   |                                     |                     |   |      |    |
| Selected balance and off-balance sheet items  | 2009<br>\$ millions                 | 2010<br>\$ millions | %chg from prev                                    |      |    |
| Assets  | \$128                               | \$124               | -3.0%   |      |    |
| Loans   | \$99                                | \$89                | -9.3%   |      |    |
| Construction & development  | \$25                                | \$22                | -11.9%  |      |    |
| Closed-end 1-4 family residential   | \$25                                | \$24                | -3.7%   |      |    |
| Home equity   | \$13                                | \$11                | -14.5%  |      |    |
| Credit card   | \$0                                 | \$0                 |   |      |    |
| Other consumer  | \$5                                 | \$4                 | -16.0%  |      |    |
| Commercial & Industrial   | \$7                                 | \$7                 | -11.5%  |      |    |
| Commercial real estate  | \$22                                | \$20                | -9.1%   |      |    |
|   |                                     |                     |   |      |    |
| Unused commitments  | \$12                                | \$11                | -14.6%  |      |    |
| Securitization outstanding principal  | \$0                                 | \$0                 |   |      |    |
| Mortgage-backed securities (GSE and private issue)  | \$11                                | \$12                | 11.8%   |      |    |
| Asset-backed securities   | \$0                                 | \$0                 |   |      |    |
| Other securities  | \$8                                 | \$6                 | -20.0%  |      |    |
| Cash & balances due   | \$4                                 | \$9                 | 126.8%  |      |    |
|   |                                     |                     |   |      |    |
| Residential mortgage originations   |                                     |                     |   |      |    |
| Closed-end mortgage originated for sale (quarter)   | \$0                                 | \$0                 |   |      |    |
| Open-end HELOC originated for sale (quarter)  | \$0                                 | \$0                 |   |      |    |
| Closed-end mortgage originations sold (quarter)   | \$0                                 | \$0                 |   |      |    |
| Open-end HELOC originations sold (quarter)  | \$0                                 | \$0                 |   |      |    |
|   |                                     |                     |   |      |    |
| Liabilities   | \$118                               | \$112               | -4.4%   |      |    |
| Deposits  | \$99                                | \$100               | 1.0%  |      |    |
| Total other borrowings  | \$16                                | \$10                | -38.5%  |      |    |
| FHLB advances   | \$10                                | \$10                | 0.0%  |      |    |
|   |                                     |                     |   |      |    |
| Equity  |                                     |                     |   |      |    |
| Equity capital at quarter end   | \$10                                | \$11                | 12.8%   |      |    |
| Stock sales and transactions with parent holding company (cumulative through calendar year) | \$3                                 | \$0                 | NA  |      |    |
|   |                                     |                     |   |      |    |
| Performance Ratios  |                                     |                     |   |      |    |
| Tier 1 leverage ratio   | 7.7%                                | 8.5%                | --  |      |    |
| Tier 1 risk based capital ratio   | 9.7%                                | 11.3%               | --  |      |    |
| Total risk based capital ratio  | 13.0%                               | 14.7%               | --  |      |    |
| Return on equity <sup>1</sup>   | 6.0%                                | 3.2%                | --  |      |    |
| Return on assets <sup>1</sup>   | 0.5%                                | 0.3%                | --  |      |    |
| Net interest margin <sup>1</sup>  | 4.2%                                | 4.5%                | --  |      |    |
| Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}                                | 89.2%                               | 198.3%              | --  |      |    |
| Loss provision to net charge-offs (qtr)   | 196.4%                              | 200.0%              | --  |      |    |
| Net charge-offs to average loans and leases <sup>1</sup>                                    | 0.7%                                | 0.3%                | --  |      |    |
| <sup>1</sup> Quarterly, annualized.   |                                     |                     |   |      |    |
|   |                                     |                     |   |      |    |
|   | Noncurrent Loans                    |                     | Gross Charge-Offs                                 |      |    |
| Asset Quality (% of Total Loan Type)  | 2009                                | 2010                | 2009  | 2010 |    |
| Construction & development  | 3.6%                                | 1.7%                | 0.3%  | 0.4% | -- |
| Closed-end 1-4 family residential   | 4.5%                                | 0.0%                | 0.0%  | 0.0% | -- |
| Home equity   | 0.1%                                | 3.7%                | 0.0%  | 0.0% | -- |
| Credit card   | 0.0%                                | 0.0%                | 0.0%  | 0.0% | -- |
| Other consumer  | 1.1%                                | 8.1%                | 0.5%  | 0.3% | -- |
| Commercial & Industrial   | 0.1%                                | 0.0%                | 0.8%  | 0.1% | -- |
| Commercial real estate  | 1.3%                                | 0.0%                | 0.0%  | 0.0% | -- |
| Total loans   | 2.4%                                | 1.2%                | 0.2%  | 0.1% | -- |